



OPERATIONAL PERFORMANCE REPORT

June 2015

Issue date: 31.07.2015

AKFEN HOLDING - RECENT DEVELOPMENTS & DATA

- As of June 30th, 2015; the price of Akfen Holding's corporate bond with the ISIN code TRSAKFH11710 (maturity date January 9th, 2017 and issue amount TL140mn) was TL101.049 (dirty price). Total trading volume in June was TL2,123,994 and the yield as of June 30th, 2015 corresponded to 9.77% + 165bps spread. While the sixth coupon payment of the bond amounting to TL4,101,999.13 was made on July 13th, 2015, the interest rate effective for the seventh coupon payment, which will be made on October 12th, 2015, was announced as 3.12%.
- As of June 25th, 2015; the price of Akfen Holding's corporate bond with the ISIN code TRSAKFH31718 (maturity date March 23rd, 2017 and issue amount TL200mn) was TL100.450 (dirty price). Total trading volume in June was TL5,150,318 and the yield as of June 25th, 2015 corresponded to 9.83% + 196bps spread.
- As of June 30th, 2015; the price of Akfen Holding's corporate bond with the ISIN code TRSAKFHA1719 (maturity date December 7th, 2017 and issue amount TL60 million) was TL100.290 (dirty price). Total trading volume in June was TL8,151,125 and the yield as of June 30th, 2015 corresponded to 9.74% + 362bps spread.
- Within the "Share Buyback Program", our Company repurchased a total of 13,853 Akfen Holding shares lastly, on 29 July 2015. Following this transaction the total of share purchases within the frame of the 'Share Buyback Program' so far have reached 6,829,508 shares. Our Company holds 7,989,806 Akfen Holding shares, acquired within the previous share buyback program. Thus, in total share purchases have reached 14,819,314 shares, making up 5.66% of the Company's paid-in capital.
- According to the Board Decision numbered 2015/16 and dated 13.07.2015, it was decided to dispose the shares of Akfen Insaat Turizm ve Ticaret A.S. ("Akfen Construction") due to high amount of investment requirement and potential negative impact on dividend distribution of Akfen Holding as a result of equity need and to purchase shares of the companies that are investing in solar and thermal energy in order to expand the energy portfolio. The below transaction will be carried out in line with the valuation reports dated 20.07.2015, prepared by DRT Kurumsal Finans Danışmanlık Hizmetleri A.Ş. ("Deloitte"). The related share transfer agreements were signed on 24.07.2015.
 - Our 205,686,000 shares with a nominal value of TL205,686,000, representing 99.85% of Akfen Construction, will be transferred to our related party Akfen Altyapi Danismanlik A.Ş. at a value of US\$58,911,500.
 - The whole shares of Karine Enerji Üretim ve Sanayi A.Ş. ("Karine"), which owns companies related with solar energy generation and is wholly owned by our Board Member Selim Akın, who has 50,000 shares with a nominal value of TL50,000, will be purchased by our Company at a value of US\$24,000,000.
 - The necessary procedures will be started for the purchase of 90,000 shares, with a nominal value of TL90,000, representing 40% of Adana İpekyolu Enerji Üretim A.Ş. ("Adana İpekyolu") owned by our Company's board member Selim Akın, which holds a coal fired power plant that will be constructed in Adana Yumurtalık with 660 MWe installed capacity, at a value of US\$24,600,000. In this context, it was also decided to complete the necessary transactions in accordance with the legislation following the completion of the partial division of our subsidiary Akfen Termik Enerji Yatırımları A.Ş. that holds 50% of Adana İpekyolu shares.
 - The necessary procedures will be initiated for the purchase of 29.75% of Akfen Termik Enerji Yatırımları A.Ş. ("Akfen Thermal Energy") shares, corresponding to 202,954 shares with a nominal value of TL50,738,500 owned by our Chairman Hamdi Akın, by our Company at a value of US\$28,333,305 following the partial division of Akfen Thermal Energy's subsidiary Adana İpekyolu Enerji Üretim A.Ş.,

(“Target Company”) within its restructuring so that all shares of Akfen Thermal Energy’s only remaining subsidiary Akfen Enerji Üretim ve Ticaret A.Ş. will be indirectly acquired by our Company.

- With the unanimous vote of the independent board members and the votes of the other board members the below decision, dated 24.07.2015 and numbered 2015/18, was made: When the transfer of 99.85% shares of Akfen Construction is evaluated in respect to the CMB’s Communique on “Material Transactions” Article 6;
 - the recorded value of the asset subject to the transaction on our most recent financials, as a percentage of the asset sum on our most recent financials, TL1,623mn (holding solo), is 12.67%,
 - the transaction value makes up 9.50% of the market capitalization our Company of TL1,619mn based on the average of the last six months (prior to the Board decision) adjusted weighted average prices,
 - the contribution of the asset to be transferred to the revenues of the last full year’s total revenues amounts to 0% (since construction revenues are internal revenues and are eliminated from Akfen Holding’s consolidated revenues, they were assumed as 0),

since at the mentioned transaction value all the above criteria are below 50%, and when the importance of the asset for the operations of our Company is taken into consideration, this transaction is not considered a “material transaction”.

BUSINESS LINES - OPERATIONAL PERFORMANCE & DEVELOPMENTS

1) Airports/Terminals: TAV Airports

Passenger Figures⁽¹⁾ (as of 30 June 2015)

	2015 LTM	2014	YTD Chg.	YoY Chg.	LTM Chg.
Ataturk Airport	58,872,204	56,954,790	7%	6%	9%
International	39,590,839	38,200,788	8%	5%	10%
Domestic	19,281,365	18,754,002	6%	6%	8%
Esenboga Airport	11,359,354	11,012,119	6%	7%	1%
International	1,464,169	1,445,044	3%	-6%	-2%
Domestic	9,895,185	9,567,075	7%	9%	2%
Izmir Airport	11,414,511	10,936,772	9%	13%	8%
International	2,541,421	2,577,908	-4%	-7%	0%
Domestic	8,873,090	8,358,864	13%	21%	10%
Gazipaşa Airport	831,774	726,252	43%	37%	76%
International	469,940	409,253	50%	36%	64%
Domestic	361,834	316,999	37%	39%	93%
Milas-Bodrum Domestic Terminal⁽⁴⁾	2,103,251	2,017,703	12%	10%	13%
TAV Turkey Total	84,237,876	80,593,852	10%	11%	11%
International	44,066,369	42,632,993	7%	4%	10%
Domestic	40,171,507	37,960,859	12%	19%	12%
Medinah	5,536,743	5,703,349	-5%	-13%	3%
Monastir & Enfidha Airports	3,077,897	3,332,391	-21%	-33%	-11%
Tbilisi & Batumi Airports	1,856,984	1,788,571	9%	7%	9%
Macedonia (Skopje & Ohrid)	1,356,245	1,278,343	14%	4%	17%
Zagreb Airport	2,506,855	2,430,971	7%	2%	8%
TAV TOTAL⁽³⁾	98,572,600	95,127,477	8%	7%	11%
International	55,889,522	54,615,845	5%	0%	10%
Domestic	42,683,078	40,511,632	11%	17%	12%

Air Traffic Movements⁽²⁾ (as of 30 June 2015)

	2015 LTM	2014	YTD Chg.	YoY Chg.	LTM Chg.
Ataturk Airport	433,672	422,174	6%	6%	7%
International	297,758	287,519	7%	7%	9%
Domestic	135,914	134,655	2%	3%	4%
Esenboga Airport	83,355	82,239	3%	4%	-3%
International	11,647	11,697	-1%	-10%	-5%
Domestic	71,708	70,542	3%	7%	-2%
Izmir Airport	77,674	74,048	11%	11%	10%
International	18,383	17,770	9%	5%	8%
Domestic	59,291	56,278	11%	13%	10%
Gazipaşa Airport	6,257	5,349	51%	43%	82%
International	3,286	2,822	55%	39%	59%
Domestic	2,971	2,527	48%	50%	116%
Milas-Bodrum Domestic Terminal⁽⁴⁾	16,347	15,642	13%	7%	20%
TAV Turkey Total	614,596	591,459	8%	11%	9%
International	331,074	319,808	7%	7%	9%
Domestic	283,522	271,651	9%	16%	10%
Medinah	47,219	48,549	-5%	-7%	3%
Monastir+Enfidha Airports	21,193	22,441	-15%	-22%	-9%
Tbilisi + Batumi Airports	23,572	23,804	-2%	2%	-1%
Macedonia (Skopje&Ohrid)	14,376	13,969	6%	0%	11%
Zagreb Airports	39,896	38,348	8%	7%	5%
TAV TOTAL⁽³⁾	760,852	738,570	6%	7%	10%
International	445,902	434,057	6%	4%	11%
Domestic	314,950	304,513	7%	13%	10%

* DHMI figures for 2015 are tentative.

(1) Both departing and arriving passengers, including transfer pax.

(2) Commercial flights only.

(3) 2014 TAV totals do not include Milas-Bodrum until August 2014.

(4) TAV commenced its operation at Milas-Bodrum domestic terminal on July 15, 2014. International terminal of Milas-Bodrum will be taken over by October 22, 2015.

Abbreviations:

LTM: Last twelve months

YTD: Year-to-date (January-June 2015/January-June 2014)

YoY: Year-over-Year (June 2015/June 2014)

n.m. Not Meaningful

2) Airport Construction: TAV Construction
Ongoing Projects (as of 31 May 2015)

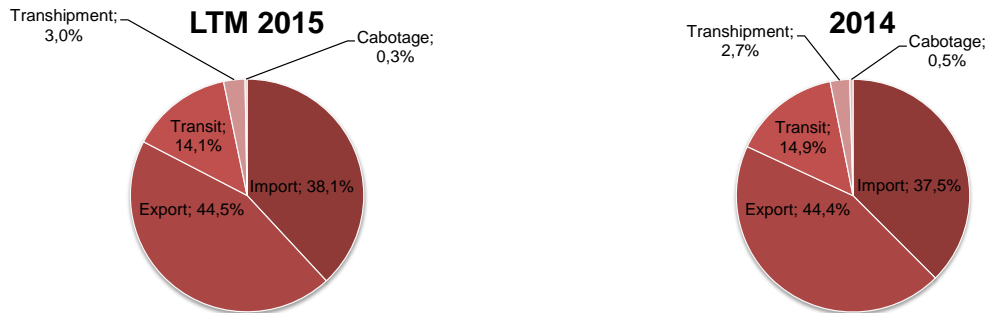
Project Name	Employer	TAV Construction's Share	Contract Value (US\$m)	Physical Completion as of 30.04.2015	Physical Completion as of 31.05.2015	Change (%)
Dubai-Marina 101	M/S Sheffield Holdings Limited	100%	202	88.0%	88.5%	0.5%
Libya-Tripoli	The Libyan Civil Aviation Authority	25%	2,103	36.9%	36.9%	-
Libya-Sebha	The Libyan Civil Aviation Authority	50%	229	7.0%	7.0%	-
Doha	Government Of The State Of Qatar	35%	3,945	100.0%	100.0%	-
Oman MC1	Sultanate Of Oman Ministry Of Transport And Comm.	50%	1,169	91.9%	92.1%	0.2%
Saudi Airlines Catering Building - Madinah	TAV-ACC JV	50%	26	55.0%	67.8%	12.8%
Medina Airport Hotel Project - Madinah	TAV-ACC JV	50%	31	21.1%	36.5%	15.4%
King Abdul Aziz International Airport	Saudia Aerospace Engineering Industries	40%	765	22.1%	23.8%	1.7%
Abu Dhabi Int. Airport Midfield Terminal Building Construction Works	ADAC	33%	3,180	36.9%	48.5%	11.7%
Riyad KKIA Terminal 5 Airport	General Authority Of Civil Aviation (Gaca)	50%	336	48.3%	49.5%	1.2%
Damac Towers	Damac Development	100%	312	24.9%	27.9%	3.0%
Emaar Square N1&N2 Structural Works	EMAAR	60%	67	81.2%	86.8%	5.6%
Emaar Phase 3*	EMAAR	60%	410	3.4%	9.7%	6.4%
Istanbul Ataturk Airport Extension Project - Phase 3	TAV Istanbul Terminal Operations Co.	100%	43	7.7%	22.7%	15.0%
New ADP Headquarters and Office Buildings	Aeroports De Paris	50%	97	0.6%	1.0%	0.4%
TOTAL			12,913			

* Calculation method of the physical progress of Emaar Phase 3 project has been changed and synchronized with the revised work program. Due to the revised work program, physical progress of the project has been revised as in the above table.

3) Port Operations: Mersin International Port (MIP)
Container & Conventional Cargo Statistics (as of 30 June 2015)

	2015 LTM	2014	YTD Chg.	YoY Chg.	LTM Chg.
Container Volumes (TEU)	1,431,984	1,498,850	-9%	-9%	-4%
Conventional Throughput (Ton)*	8,856,764	8,835,718	1%	-11%	14%

* General Cargo – Dry Bulk – Liquid Bulk

Container Regime Breakdown


As of June 30th, 2015; the price of MIP's corporate bond with the ISIN code XS0957598070 (Bloomberg Code: EJ778815) (maturity date August 12th, 2020 and issue amount USD450 mn) was USD105.642. The yield as of June 30th, 2015 corresponded to 2.080% + 270bps spread (*Source: Bloomberg*).

On 22 July 2015, Fitch Ratings has affirmed MIP's US\$450mn senior unsecured debt rating at 'BBB-' with a Stable Outlook. The 'BBB-' rating is supported by MIP's strong revenue and EBITDA performance in 2014, as well as its established market position and moderate leverage. The rating is constrained by its weak unsecured debt structure, exposure to refinancing risk and Turkey's sovereign rating (BBB-/Stable).

4) Real Estate: Akfen REIT

(as of 30 June 2015)

	Room Number*	Occupancy Rate			Rev Par (EUR)**			Total Rev Par (EUR)***		
		2015 YTD	2015 LTM	2014	2015 YTD	2015 LTM	2014	2015 YTD	2015 LTM	2014
Hotels										
Turkey Total	2,077	68%	67%	67%	33	33	33	42	43	43
Russia Total	548	54%	54%	53%	19	22	25	27	30	34
Grand Total	2,625	65%	65%	64%	30	31	31	39	41	41

* Merit Park Hotel in Northern Cyprus with 286 rooms is not included

** Rev Par = Average Room Rate x Occupancy Rate

*** Total Rev Par = Rev Par + Other Revenues (food&beverage, seminar-congress, banquet revenues, etc.)

Russia & Turkey Projects' Physical Completion Status (as of 30 June 2015)
Russia Projects

City	Room Number	Type	Status	Completion (%)
Moscow	317	Ibis Hotel Moscow	Completed	100%

Turkey Projects

City	Room Number	Type	Status	Completion (%)
Istanbul	200	Novotel Karakoy	Under construction	82%
Istanbul	200	Ibis Otel Tuzla	Under construction	28%

During January-June 2015; average occupancy rate of Ibis & Novotel located in Turkey & Russia reached 65%, up by 1% compared to the same period of the previous year. During the same period, Rev-Par and T-RevPar decreased 7%.

Ibis Hotel Moscow constructed in the capital of Russia by Hotel Development Investment BV - 100% subsidiary of Akfen REIT – has started to accept its guests. The hotel with 317 rooms, which has started its services on 16 July 2015, will be operated by Accor – leading hotel operator of Europe and strategic partner of Akfen REIT. As a result of Ibis Hotel Moscow’s starting its operations, the number of Akfen REIT operational hotels in Russia increased to 4 and the total number of Akfen REIT operational hotels in Turkey, TRNC and Russia reached 18.

5) Water & Waste Water Utilities: Akfen Water

Invoiced Water & Treated Waste Water Volumes (m³)

	2015 LTM	2014	YTD Chg.	YoY Chg.	LTM Chg.
Akfen Su Gulluk (as of 31 May 2015)					
Invoiced Water Volume	509,802	506,917	2%	11%	-3%
Akfen Su Dilovasi (as of 30 June 2015)					
Treated Waste Water Volume	2,377,509	2,523,485	-12%	-36%	-2%

As of end of May, Akfen Su Güllük served 6,678 subscribers. As of end of June, the number of operating factories in Dilovası Organised Industrial Zone was 206.

6) Energy

6.1) Akfen HEPP

Operational HEPPs (as of 30 June 2015)

Company	HEPP	Installed Capacity (MW)	Generation Capacity (GWh/yr)	Commercial Operation Date (COD)	Realized Generation Output (GWh/yr) 2014	Realized Generation Output (GWh/yr) YTD
Beyobası	Otluca	47.7	224.0	April 2011	118.29	140.07
	Sirma	6.0	23.2	June 2009	12.49	18.39
	Sekiyaka II HES 1	2.3	12.3	January 2014	10.91	7.34
Çamlıca	Çamlıca III	27.6	104.5	April 2011	25.96	63.08
	Saracbendi	25.5	100.5	May 2011	29.48	61.37
Pak	Demirciler	8.4	34.5	August 2012	22.09	27.05
	Kavakcalı	11.1	44.3	March 2013	34.46	37.97
	Gelinkaya	6.9	25.8	June 2013	6.13	7.88
BT Bordo	Yagmur	9.0	31.5	November 2012	19.35	17.24
Elen	Doğancay	30.2	171.7	August-September 2014	26.36	94.78
Yenidoruk	Doruk	28.3	75.5	September 2014	17.28	56.33
Total		203.0	847.8		322.79	531.51

HEPPs Under Construction

Company	HEPP	Installed Capacity (MW)	Generation Capacity (GWh/yr)	Civil Work Progress Ratio (%)
H.H.K. Enerji	Çalıkobası	17.0	46.4	16.2%
Kurtal	Çiçekli 1-II	6.7	21.9	-
Beyobası	Sekiyaka II HES 2	1.1	4.8	85.9%
Total		24.8	73.1	

HEPPs at Planning Stage

Company	HEPP	Installed Capacity (MW)	Generation Capacity (GWh/yr)
Zeki	Catak ¹	10.0	42.5
Total		10.0	42.5

(1) Following the decision that declares the land including the plant area as “protected area”, a law suit demanding the cancellation of this decision was filed, which was settled with the decision of Rize Administrative Court (2010/487 Es, 2011/661 Kr) declaring that, the land within the zone of Catak HEPP project is not protected area. The decision was declared to us and the case is in the supreme court stage and Stay of Execution is currently in force. The administrative process regarding the report, which was prepared within the frame of protected area regulation to cancel the decision and to remove the mentioned area from the protected area, is still ongoing.

Annual generation capacities of the power plants have been revised in line with the amendments on the licenses due to the modifications in the projects necessitated from time to time and are shown in the tables above.

As of the reporting period, Akfen Holding continued to generate electricity through its 11 operating hydroelectric power plants, having a total installed capacity of 203.0 MW and a projected annual electricity generation capacity of 847.8 GWh, whereas the construction in 2 plants having a total installed capacity of 24.8 MW and a projected annual electricity generation capacity of 73.1 GWh is ongoing. Tunnel and penstock excavation works have continued at Çalkobası HEPP, while installation of transmission lines and concrete plant installation continued at Çiçekli HEPP. Meanwhile, at Sekiyaka II HEPP 2 project, which is an extension of Sekiyaka II HEPP 1, an operational project as of January 2014, electrical works of the powerhouse and electromechanical assembly works have continued.

In 2014, electricity generated at all operating plants was sold in the Day Ahead Market (“DAM”) and to Akfen Elektrik Toptan Satış Co.. In accordance with the decision taken by the management, in 2015 electricity generated at Otluca HEPP, Saraçbendi HEPP, Doruk HEPP and Yağmur HEPP is sold to the Renewable Energy Resources Support Mechanism while the remaining hydro power plants continue to sell in the DAM and to Akfen Elektrik Toptan Satış Co.

6.2) Akfen Thermal Energy

Application was made to Energy Market Regulatory Authority (“EMRA”) for the increase of the current installed capacity of 570 MW on the license to 1,148.4 MW on 18 December 2012, eligibility of EMRA has been obtained. Environmental Impact Assessment (“EIA”) Report prepared in regard to the capacity increase was reviewed, evaluated and accepted as final by the Ministry of Environment and Urbanization within the scope of EIA Regulation Article 12. After the completion of the EIA report process as of 13 January 2014 EMRA approved the increase of the installed capacity on the license.

The construction of transformer station was completed and provisional acceptance was fulfilled. The disassembly works on the site were completed. Upon selection of EPC Supplier and the completion of the EPC contract, limited notice to proceed will be issued to start preliminary construction works.

Application made to the Ministry of Environment and Urbanization for the EIA of the Project’s 380 kV Mersin CCGT-Konya Ereğli Transformation Station Energy Transmission Line was approved and the EIA process was completed.

7) Construction: Akfen Construction

Ongoing Projects (as of 30 June 2015)

Project Name	Akfen Construction's Share	Contract Value (US\$)	Physical Completion as of 30.06.2015	Backlog (US\$)
Calikobasi HEPP (Engineering Works)	100%	18,150,000	16.2%	14,799,873
Cicekli HEPP (Construction of Access Road)	100%	2,193,345	95.7%	Unit Price Contract*
Sekiyaka II HEPP 2	100%	2,210,601	85.9%	503,095
AKFEN HEPP		22,553,946		15,302,968
Novotel Karaköy	100%	28,994,974	82.0%	4,551,235
Ibis Tuzla	100%	8,760,430	28.0%	7,065,975
Incek Loft	100%	198,596,926	46.2%	141,864,500

Isparta City Hospital	100%	224,000,000	8.4%	196,600,168
Hacettepe Student Dorm	64%	118,464,075	21.0%	94,759,237
TOTAL		601,370,352		460,144,084

* Contract values are revised on a monthly basis according to work completed.

Contract value of the projects can be revised in line with the occasional modifications in the projects, and these revisions are shown in the tables above.

Our wholly owned subsidiary Akfen Construction submitted the best bid on 2 July 2015 at the tender of the “sale of the 36,947 sqm land in Ankara, Gölbaşı Kızılcaşar district in exchange for revenue sharing business” held by İller Bankası A.Ş. The agreement related to the mentioned tender was signed on 24 July 2015 by the parties and has become valid.

8) Sea Transportation: IDO

Number of Passengers and Vehicles Transported

	2015 LTM	2014	YTD Chg.	YoY Chg.	LTM Chg.
Number of Passengers	46,582,628	47,501,612	-4%	-13%	-3%
Fast Ferry	7,060,011	7,046,365	0%	-10%	6%
Sea Bus	5,574,348	6,049,210	-17%	-16%	-19%
Conventional Ferry*	33,948,269	34,406,037	-3%	-13%	-2%
Number of Vehicles	8,240,336	8,216,450	1%	-6%	3%
Fast Ferry**	1,344,520	1,328,725	3%	-5%	4%
Conventional Ferry	6,895,816	6,887,725	0%	-6%	3%

* Number of passengers travelling with vehicles using Ekihisar-Topçular conventional ferry line are calculated through applying coefficients for each type of mode of transport as laid out in the following table :

Mode of Transport	Automobile	Mnivan	Jeep/Pickup Truck /Minibus	Midi bus (21+)	Truck / 2 Axles Bus	3 Axles Bus, Tractor and Trailer	Over 4 axles vehicles	Motorcycles
In Vehicle Passenger Coefficient	3	3	6	9	26	26	2	1

** Vehicle transport numbers by Fast Ferry are measured in Car Equivalent Units ("CEU"). CEU is calculated through applying coefficients for each type of transport compared to a single car.

Mode of Transport	Motorcycles	Automobile	Disabeld Car	Mnivan	Mini bus (12 pass.)	Jeep	Mini bus (19 pass.)	Midi bus	Pickup Truck 0-2000 kg	Pickup Truck 2001-2500 kg	Truck 2501-3500 kg	Bus	Towed Vehicles
Coefficient	0,25	1	1	1	1,25	1,25	1,5	2	1,5	2	2	5	1,5

EIA process for IDO's harbour project in Ambarlı has been initiated according to the information posted on the Environmental Impact Analysis Permit and Audit General Management's website on 22 July 2015.

Akfen Holding Investor Relations

For further information please e-mail to investorrelations@akfen.com.tr

AKFEN HOLDING A.Ş.

Levent Loft – Buyukdere Cad. No:201 K.11 34394 Levent, Istanbul - TURKEY

Tel :+90.212.319.8700 Fax: +90.212.319.8710

www.akfen.com.tr
